



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 843

PRINTER'S NO. 1290

PRIME SPONSOR: Argall

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

Senate Bill 843 amends the Public School Code by providing several policy changes as well as funding distributions related to the 2023/24 budget.

ANALYSIS & FISCAL IMPACT:

The following changes are made to the Public School Code:

Section 122: The date for the next reconstitution of the Special Education Funding Commission and its related report is moved from 2024 to 2026.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Section 123: The report deadline for the Basic Education Funding Commission is extended from November 30, 2023 to January 11, 2024.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Section 123.1: The final report deadline for the Commission on Education and Economic Competitiveness is specified as November 1, 2025 rather than 18 months after the commission's creation.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds.

Sections 130-132: PDE is required to create a public job posting database, post instructional vacancy data, and provide other data transparency.

Fiscal impact: The addition of these sections would impose a cost on the Pennsylvania Department of Education (PDE) related to creating and maintaining the databases for job postings, vacancies, and the education workforce. PDE staff estimated an initial, full-year implementation cost of \$1.5 million to hire three people to administer the programs and to create the database and data collection tools. Beyond the first year, the ongoing costs for staffing the programs and maintaining the databases are expected to be \$500,000 annually.

Article XII-B: This new article, titled Interstate Teacher Mobility Compact, allows the governor to enter into a multi-state compact that allows teachers in approved positions to be granted equivalent licenses in Pennsylvania. A commission is also created to administer the compact.

Fiscal Impact: PDE staff indicated an estimated annual cost of \$200,000 to fulfill the responsibilities of this new article. This includes funding for one position (\$158,000 for salary and benefits) and for supporting the operations of the commission (\$42,000).

Sections 1403-A, 1403.1-A, and 1404-A: Changes related to payment redirection, enrollment, and Individualized Education Plan responsibilities are made to the Drug and Alcohol Recovery High School Program.

Fiscal impact: The changes to these sections would have no fiscal impact on commonwealth funds.

Section 1517-D: PDE is required to collect and report detailed enrollment information from approved providers in the Pre-K Counts program and hold quarterly meetings with the Appropriation Committee chairpersons.

Fiscal impact: The addition of this section may impose a minimal, one-time cost on PDE in 2023/24 to update their data reporting system for the Pre-K Counts program.

Section 1551: By 2025/26, PDE is required to develop model curriculum for economic education and personal financial literacy programs. Beginning with 2026/27, school entities and nonpublic schools are required to provide a mandatory course in personal financial literacy. The course must be worth at least one-half credit and be completed in ninth, tenth, eleventh, or twelfth grade. PDE must also provide clarification regarding teacher certifications for personal financial literacy.

Fiscal impact: The changes to this section are expected to impose minimal costs on PDE. The impact to school entities and nonpublic schools will vary and may be significant beginning in 2026/27 as the personal financial literacy course mandate will require new personnel positions in some cases.

Section 1607: Duquesne City SD is required to obtain the approval of the Secretary of Education before reopening its high school. Further, the inflationary metric in the tuition rate that Duquesne City SD pays to East Allegheny SD and West Mifflin SD is lowered. The prior year's tuition rate shall increase by the base Act 1 index instead of the greater of the increase in Duquesne City SD's budgeted revenues and adjusted Act 1 index. By definition, the adjusted Act 1 index is higher than the base Act 1 index.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds. The tuition rate Duquesne City SD is required to pay for 2023/24 would increase by 4.1% instead of 6.7%.

Section 2002-B. The administrative cost allowances for scholarship granting organizations in the EITC and OSTC programs is changed. Under current law, organizations must spend at least 80% of contributions on scholarships or program awards. These provisions change that threshold to 90%, except organizations that have a program expense ratio of at least 90% as reported on the IRS 990 may have a threshold of 85%.

Fiscal impact: The changes to this section would have no fiscal impact on commonwealth funds. Lower administrative fees for scholarship granting organizations may result in a greater dollar amount of scholarships awarded.

Section 2302-A: Institutions of higher education are required to incorporate credit card debt education and money management skills programming into their orientation programming. Under current law, this type of programming was something institutions of higher education were instructed to consider providing.

Fiscal impact: The changes to this section may have a minimal impact on institutions of higher education related to developing programming and materials for credit card debt education and money management skills.

Section 2510.3: In 2023/24, PDE is permitted to use up to \$7 million in undistributed funds to assist school districts in financial recovery or financial watch status, including school districts subject to oversight during the transition period out of financial recovery.

Fiscal Impact: The change to this section will have no fiscal impact on the commonwealth because it only allows PDE to shift existing funding.

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DATE: December 13, 2023

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.